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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

Regulatory Reform for Local
Exchange Carriers Subject to
Rate of Return Regulation

CC Docket No. 92-135

Reply Comments of John Staurulakis, Inc.

John Staurulakis, Inc. (JSI), by its attorney, hereby submits these reply comments in support of certain filings made in response to the Notice of Proposed Rulemaking (NPRM) in the above-captioned proceeding.¹ In the NPRM, the Federal Communications Commission (Commission) requests comment on a number of proposals aimed at establishing a "continuum of increasingly incentive based approaches that permit companies to choose a plan which best fits their circumstances."² In its comments, JSI recognized the need for the Commission to assure that the regulatory environment for small Local Exchange Carriers (LECs) is conducive to the challenges created in the telecommunications markets they serve. Subject to the modifications suggested in its comments, especially the need for optionality, JSI asserted that the proposals should assist this goal and should not only provide the opportunity of greater and more timely service offerings but also should provide the LECs the flexibility to respond to market changes as they arise.

¹ See In the Matter of Regulatory Reform for Local Exchange Carriers Subject to Rate of Return Regulation, Notice of Proposed Rulemaking, CC Docket No. 92-135, FCC 92-258, released July 17, 1992. JSI filed comments in this proceeding on August 28, 1992. See Comments of John Staurulakis, Inc., CC Docket No. 92-135, filed August 28, 1992.

² NPRM at para. 3.

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JSI supports the additional LEC optionality argued for by the National Exchange Carrier Association, Inc. (NECA) and the Organization for the Protection and Advancement of Small Telephone Companies (OPASTCO). Specifically, NECA argued that the Commission should alter Section 69.605 of the Commission's rules and permit any LEC under 10,000 access lines to elect to convert to average schedules by December 31, 1992, effective July 1, 1993; election after July 1, 1994 would be on sixty days' notice. Moreover, any average schedule company changing to cost after July 1, 1993 would not be allowed to return to average schedule status for four years.³ NECA submitted that its proposal not only would lessen cost study expense to the interstate jurisdiction, but also would "extend the Commission's regulatory reform accomplishments by further simplifying and reducing regulatory burdens on small telephone companies."⁴ OPASTCO also argued that, in order to reduce regulatory burdens on small LECs, LECs should be able to elect average schedule status.⁵ JSI agrees.

JSI believes that to the extent a LEC can gain administrative and operational efficiencies from the conversion from cost based

³ See Comments of the National Exchange Carrier Association, Inc., CC Docket No. 92-135, filed August 28, 1992 at 16-20; see also id., Appendix A at 1. NECA noted that its suggested dates were illustrative and if completion of the proceeding would not permit a December 31, 1992 election, the dates would need to be altered. Id. at 16 n. 34.

⁴ Id. at 17.

⁵ See Comments of the Organization for the Protection and Advancement of Small Telephone Companies, CC Docket No. 92-135, filed August 27, 1992 at 9.

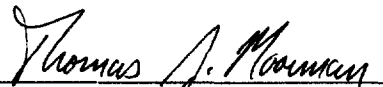
settlements to average schedule settlements, the Commission's goals of this proceeding can be accomplished. The Commission, itself, has recognized its sensitivity to the administrative burdens imposed on small telephone companies, and has taken action to permit companies to avoid such burdens.⁶ To the extent that Section 69.605 of the Commission's rules does not permit a LEC the option to avoid such administrative burdens, the rule requires revision. Moreover, since average schedule companies can elect to move to cost, it appears fundamentally unfair not to permit the reverse. Therefore, JSI believes that NECA and OPASTCO have made a persuasive case that elimination of the Section 69.605 requirement precluding conversion to average schedules is demanded by the public interest, and one which JSI fully supports.

WHEREFORE, JSI requests the Commission adopt the NPRM with the modifications suggested both in JSI's initial comments and herein.

Respectfully submitted,

John Staurulakis, Inc.

By:


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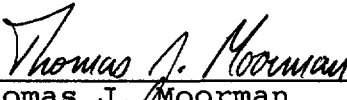
⁶ See generally In the Matter of Regulation of Small Telephone Companies, CC Docket No. 86-467, 2 FCC Rcd 3811 (1987); recon., 3 FCC Rcd 5770 (1988).

Certificate of Service

I, Thomas J. Moorman, do hereby certify that on this 28th day of September, 1992, a copy of the foregoing "Reply Comments of John Staurulakis, Inc." were mailed first class, postage prepaid, to the individuals listed below.

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